



November 17, 2010

Sharon Gillett, Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Reference: Docket No. 02-60

This letter is to request an extension of the June 30, 2011, deadline for a period of one year (to June 30, 2012) to allow full expenditure of funding committed for the Indiana Telehealth Network Rural Health Pilot Program (RHCPP).

As of this date, the Indiana Telehealth Network RHCPP has approximately \$1.0 million in Funding Commitment Letters (FCLs) of the \$16.0 million awarded to the Indiana Telehealth Network. We fully anticipate an additional \$1.0 million in commitments as additional contracts will be executed from our first Request for Proposal (RFP#00).

From its outset, the budget and sustainability plan for the Indiana Telehealth Network (ITN) utilized 85% of RHCPP funding for non-recurring charge purposes. When the ITN budget was configured in conjunction with the grant submission in 2007, construction costs were estimated at approximately \$40,000 per mile. The actual construction costs, through the RFP bidding process, amounted to approximately \$15,000 per mile.

Despite the significant reduction in construction costs, we expect only 22 contracted participants (from the original estimate of 56) in the ITN network due to (among other reasons) termination clauses in existing contracts and inability to obtain the 15% required matching RHCPP funds.

This results in approximately \$14.0 million residing in non-allocated RHCPP funding, which must be committed to by the current June 30, 2011 deadline.

The ITN solution to this funding dilemma is to revise the existing sustainability plan to include recurring charges. We estimate that this plan adjustment will increase FCL

commitments by approximately \$5.0 million, which, added to the aforementioned \$2.0 million in anticipated contracting, would bring the total FCL commitment to approximately \$7.0 million.

Additionally, we have submitted another RFP to USAC for the purpose of adding additional eligible healthcare participants to the Indiana Telehealth Network.

The Indiana Telehealth Network RHCPP will benefit the citizens of Indiana through an established network of healthcare providers, and construct the infrastructure that will become the backbone of HIT adoption for the state of Indiana. This will also provide significant economic development for Indiana as employment in the health information field is estimated to increase by 18 percent through 2016 – in response to public and private sector initiatives involving electronic health information.

The principals involved in the Indiana Telehealth Network RHCPP have worked diligently since the program's inception to meet established goals and objectives. Yet, our project, like many of the 62 originally awarded, face challenges, as cited previously, resulting in concerns about meeting the June 2011 deadline.

Our project's goals and objectives are of significant value to our communities and will improve the delivery of healthcare, particularly to our rural communities. The proposed extension will allow the Indiana Telehealth Network to complete the project in an efficient manner by the June 2012 deadline.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "Don Kelso".

Don Kelso